MONTANA LEGISLATIVE HISTORY

Chapter 361 19 92

Bill H 567 S _____ Original bill & history ✓ C

H. Committee on Appropriations		S. Committee on Finance & Claims	
Hearing Date(s) March 10	✓ C	Hearing Date(s) April 08	✓ C
March 11	✓ C	_____	____ C
March 24	✓ C	_____	____ C
_____	____ C	_____	____ C
Date Out _____	____ C		

Did this bill originate in an interim committee? ____ Yes ____ No

Committee _____ Report _____

HB 565 INTRODUCED BY MENAHAN, ET AL.

LC0826 DRAFTER: HEFFELFINGER

REESTABLISH THE RETIREMENT INCENTIVE PROGRAM BY MAKING THE PROGRAM AVAILABLE TO MEMBERS OF THE PUBLIC EMPLOYEES' RETIREMENT SYSTEM WHO ARE ELIGIBLE ON FEBRUARY 1, 1997

2/15	INTRODUCED		
2/15	FIRST READING		
2/15	REFERRED TO STATE ADMINISTRATION		
2/15	FISCAL NOTE REQUESTED		
2/19	HEARING		
2/24	FISCAL NOTE RECEIVED		
3/06	FISCAL NOTE PRINTED		
3/27	TABLED IN COMMITTEE		
4/05	MISSED DEADLINE FOR 71ST DAY TRANSMITTAL		
	DIED IN COMMITTEE		

HB 566 INTRODUCED BY MENAHAN *LC1054 DRAFTER: HEIMAN*

INCREASE THE AMOUNT OF LIFE INSURANCE THAT IS NOT CONSIDERED PART OF AN ESTATE

2/15	INTRODUCED		
2/15	FIRST READING		
2/15	REFERRED TO TAXATION		
2/15	FISCAL NOTE REQUESTED		
2/18	FISCAL NOTE RECEIVED		
2/18	FISCAL NOTE PRINTED		
3/06	HEARING		
3/07	COMMITTEE REPORT—BILL PASSED		
3/10	2ND READING PASSED	99	1
3/11	3RD READING PASSED	99	1
	TRANSMITTED TO SENATE		
3/12	FIRST READING		
3/12	REFERRED TO TAXATION		
3/21	HEARING		
3/25	COMMITTEE REPORT—BILL CONCURRED		
4/04	2ND READING CONCURRED	50	0
4/05	3RD READING CONCURRED	46	4
	RETURNED TO HOUSE		
4/08	SIGNED BY SPEAKER		
4/10	SIGNED BY PRESIDENT		
4/10	TRANSMITTED TO GOVERNOR		
4/14	SIGNED BY GOVERNOR		
	CHAPTER NUMBER 253		
	EFFECTIVE DATE: 04/14/97		

HB 567 INTRODUCED BY SQUIRES, ET AL. *LC0716 DRAFTER: MCCLURE*

PROVIDE PERMANENT FUNDING FOR ADDITIONAL YEARS OF SERVICE TO BE PURCHASED UNDER THE STATE EMPLOYEE PROTECTION ACT FOR A MEMBER INVOLUNTARILY TERMINATED FROM MEMBERSHIP

2/15	INTRODUCED
2/15	FIRST READING
2/15	REFERRED TO APPROPRIATIONS
2/15	FISCAL NOTE REQUESTED
2/20	FISCAL NOTE RECEIVED
2/20	FISCAL NOTE PRINTED
3/10	HEARING
3/11	TABLED IN COMMITTEE
3/25	COMMITTEE REPORT—BILL PASSED AS AMENDED

3/26	2ND READING PASSED AS AMENDED	76	23
3/27	3RD READING PASSED	76	22
	TRANSMITTED TO SENATE		
3/28	FIRST READING		
3/28	REFERRED TO FINANCE & CLAIMS		
4/09	HEARING		
4/09	COMMITTEE REPORT—BILL CONCURRED		
4/11	2ND READING CONCURRED	50	0
4/12	3RD READING CONCURRED	45	4
	RETURNED TO HOUSE		
4/15	SIGNED BY SPEAKER		
4/17	SIGNED BY PRESIDENT		
4/18	TRANSMITTED TO GOVERNOR		
4/22	SIGNED BY GOVERNOR		
	CHAPTER NUMBER 361		
	EFFECTIVE DATE: 07/01/97		

HB 568 INTRODUCED BY OHS, ET AL. *LC1400 DRAFTER: HEFFELFINGER*

ESTABLISH A LEWIS AND CLARK BICENTENNIAL COMMISSION

BY REQUEST OF HOUSE STATE ADMINISTRATION COMMITTEE

2/15	INTRODUCED		
2/15	FIRST READING		
2/15	REFERRED TO STATE ADMINISTRATION		
2/18	HEARING		
2/18	COMMITTEE REPORT—BILL PASSED		
2/21	2ND READING PASSED	91	9
2/26	3RD READING PASSED	88	11
	TRANSMITTED TO SENATE		
3/04	FIRST READING		
3/04	REFERRED TO STATE ADMINISTRATION		
3/14	HEARING		
3/17	COMMITTEE REPORT—BILL CONCURRED AS AMENDED		
3/20	2ND READING CONCURRED	50	0
3/21	3RD READING CONCURRED	47	2
	RETURNED TO HOUSE WITH AMENDMENTS		
4/12	2ND READING AMENDMENTS CONCURRED	83	6
4/14	3RD READING CONCURRED AS AMENDED	86	14
4/19	SIGNED BY SPEAKER		
4/24	SIGNED BY PRESIDENT		
4/25	TRANSMITTED TO GOVERNOR		
4/29	SIGNED BY GOVERNOR		
	CHAPTER NUMBER 428		
	EFFECTIVE DATE: 10/01/97		

HB 569 INTRODUCED BY SQUIRES *LC0986 DRAFTER: HEFFELFINGER*

ALLOW CERTAIN FIREFIGHTERS WHO ARE MEMBERS OF THE PUBLIC EMPLOYEES' RETIREMENT SYSTEM TO ELECT TO REMAIN IN THE PUBLIC EMPLOYEES' RETIREMENT SYSTEM INSTEAD OF TRANSFERRING TO THE FIREFIGHTERS' UNIFIED RETIREMENT SYSTEM WHEN THE FIREFIGHTER IS HIRED INTO A POSITION THAT WOULD OTHERWISE BE COVERED UNDER THE FIREFIGHTERS' UNIFIED RETIREMENT SYSTEM

2/15	INTRODUCED
2/15	FIRST READING
2/15	REFERRED TO STATE ADMINISTRATION
2/15	FISCAL NOTE REQUESTED
2/19	HEARING

House BILL NO. 567

INTRODUCED BY Spaeth Beck Hagan Menahan Ahner Mercer Eaton Keane Smith Koch Grady Hiett Cobb Wanzenried Carlson Quilici

A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING PERMANENT FUNDING FOR ADDITIONAL YEARS OF SERVICE TO BE PURCHASED UNDER THE STATE EMPLOYEE PROTECTION ACT FOR A MEMBER INVOLUNTARILY TERMINATED FROM MEMBERSHIP; CREATING A METHOD OF FUNDING JOB RETRAINING, RELOCATION EXPENSES, AND HEALTH INSURANCE FOR A STATE EMPLOYEE WHO IS INVOLUNTARILY TERMINATED; IMPOSING A TIME LIMIT FOR A STATE EMPLOYEE PARTICIPATING IN THE JOB REGISTRY PROGRAM; PROVIDING THAT THE UNEXPENDED BALANCE IN ANY SPECIFIC APPROPRIATION MAY BE USED IN THE SUCCEEDING YEAR TO FUND JOB TRAINING, HEALTH INSURANCE BENEFITS, RELOCATION, AND THE PURCHASE OF SERVICE YEARS; PROVIDING AN APPROPRIATION; AMENDING SECTIONS 2-18-1203, 17-7-304, AND 19-2-706, MCA; AND PROVIDING AN EFFECTIVE DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 2-18-1203, MCA, is amended to read:

"**2-18-1203. General protection -- job register -- seniority preference.** (1) An employee whose position is eliminated as a result of privatization, reorganization of an agency, closure of or a reduction in force at an agency, or other actions by the legislature is entitled to:

(a) notice of announcements for jobs for which the employee may qualify that arise within the terminating agency or within state government. Notices must be provided by the state for a period of 1 year from the date of separation.

(b) access to any job retraining and career development programs provided by the state through the Job Training Partnership Act service delivery areas dislocated worker programs, provided that the employee begins participating in a program within 1 year after the elimination of the employee's position; and

(c) inclusion in a special job register from which all agencies, except an agency attempting to hire for a position exempt under 2-18-103 or 2-18-104, shall attempt to hire employees prior to seeking applications from the general public. The employee must be listed in the job register according to the

occupational categories in which the employee is qualified for employment. An employee's eligibility to participate in the job register terminates 2 years from the effective date of the employee's layoff or 2 years from the date of the employee's completion of job training provided under subsection (1)(b), whichever is later.

(2) (a) An agency attempting to hire from the job register shall consider the employee's qualifications and length of state service. If two or more employees listed in the job register are equally qualified for a vacant position, the agency shall select the employee with the longest continuous state service.

(b) If there is not an employee listed on the job register who meets the job qualifications for the vacant position, the agency may hire a qualified external applicant or establish a training assignment, according to state policy.

(3) Each state agency shall pay to the department of labor and industry a set amount that is equal to the department's average cost of providing the retraining and development services in the previous fiscal year for each involuntarily terminated state employee who requests access to any job training and career development program provided by the department."

Section 2. Section 17-7-304, MCA, is amended to read:

"**17-7-304. (Temporary) Disposal of unexpended appropriations.** (1) All money appropriated for any specific purpose except that appropriated for the university system units listed in subsection (2) and except as provided in subsection (4) must, after the expiration of the time for which appropriated, revert to the several funds and accounts from which originally appropriated. However, any unexpended balance in any specific appropriation may be used for the years for which the appropriation was made or may be used to fund the provisions of 2-18-1203 through 2-18-1205 and 19-2-706 in the succeeding year.

(2) Except as provided in 17-2-108 and subsection (3) of this section, all money appropriated for the university of Montana campuses at Missoula, Butte, Dillon, and Helena and the Montana state university campuses at Bozeman, Billings, Havre, and Great Falls, the agricultural experiment station with central offices at Bozeman, the forest and conservation experiment station with central offices at Missoula, the cooperative extension service with central offices at Bozeman, and the bureau of mines and geology with central offices in Butte must, after the expiration of the time for which appropriated, revert to an account held by the board of regents. The board of regents is authorized to maintain a fund balance. There is a

statutory appropriation, as provided in 17-7-502, to use the funds held in this account in accordance with a long-term plan for major and deferred maintenance expenditures and equipment or fixed assets purchases prepared by the affected university system units and approved by the board of regents. The affected university system units may, with the approval of the board of regents, modify the long-term plan at any time to address changing needs and priorities. The board of regents shall communicate the plan to each legislature, to the finance committee when requested by the committee, and to the office of budget and program planning.

(3) Subsection (2) does not apply to reversions that are the result of a reduction in spending directed by the governor pursuant to 17-7-140. Any amount that is a result of a reduction in spending directed by the governor must revert to the fund or account from which it was originally appropriated.

(4) For the 2 years following the end of a fiscal year, 30% of the money appropriated to an agency for that year by the general appropriations act for personal services, operating expenses, and equipment and remaining unexpended and unencumbered at the end of the year may be spent for any purpose that is consistent with the goals and objectives of the agency. The dollar amount of the 30% amount that may be carried forward and spent must be determined by the office of budget and program planning. (Terminates July 1, 1997--sec. 13, Ch. 23, Sp. L. November 1993.)

17-7-304. (Effective July 1, 1997) Disposal of unexpended appropriations. (1) All money appropriated for any specific purpose except that appropriated for the university system units listed in subsection (2) must, after the expiration of the time for which appropriated, revert to the several funds and accounts from which originally appropriated. However, any unexpended balance in any specific appropriation may be used for the years for which the appropriation was made or may be used to fund the provisions of 2-18-1203 through 2-18-1205 and 19-2-706 in the succeeding year.

(2) Except as provided in 17-2-108 and subsection (3) of this section, all money appropriated for the university of Montana campuses at Missoula, Butte, Dillon, and Helena and the Montana state university campuses at Bozeman, Billings, Havre, and Great Falls, the agricultural experiment station with central offices at Bozeman, the forest and conservation experiment station with central offices at Missoula, the cooperative extension service with central offices at Bozeman, and the bureau of mines and geology with central offices in Butte must, after the expiration of the time for which appropriated, revert to an account held by the board of regents. The board of regents is authorized to maintain a fund balance. There is a statutory appropriation, as provided in 17-7-502, to use the funds held in this account in accordance with

a long-term plan for major and deferred maintenance expenditures and equipment or fixed assets purchases prepared by the affected university system units and approved by the board of regents. The affected university system units may, with the approval of the board of regents, modify the long-term plan at any time to address changing needs and priorities. The board of regents shall communicate the plan to each legislature, to the finance committee when requested by the committee, and to the office of budget and program planning.

(3) Subsection (2) does not apply to reversions that are the result of a reduction in spending directed by the governor pursuant to 17-7-140. Any amount that is a result of a reduction in spending directed by the governor must revert to the fund or account from which it was originally appropriated."

Section 3. Section 19-2-706, MCA, is amended to read:

"**19-2-706. Additional service for member involuntarily terminated from membership service.** (1) An employee of the state or university system is entitled to the involuntary termination provision provided in subsection ~~(2)~~ (3) if:

(a) the employee is a member of the public employees', game wardens', sheriffs', or highway patrol officers' retirement system;

(b) the employee's active service is involuntarily terminated because of elimination of the employee's position as a result of privatization, reorganization of an agency, closure of or a reduction in force at an agency, or other actions by the legislature on or after January 1, 1995, but before July 1, ~~1997~~ 1999;

(c) the employee is eligible for a normal service retirement or early retirement under the applicable provisions of the retirement system to which the member belongs; and

(d) the employee waives termination benefits for which the employee would otherwise be eligible under the State Employee Protection Act.

(2) The cost of each year of service purchased under this section is the total actuarial cost of purchasing the service based on the most recent actuarial valuation of the retirement system.

~~(2)~~ (3) The employer of an eligible member under subsection (1) shall pay a portion of the total cost of purchasing up to 3 years of additional service that the member was qualified to purchase under 19-3-513, 19-6-804, 19-7-804, or 19-8-904. The employer-paid portion applied toward the service purchase must be calculated using the formula A x B x C when:

(a) A is equal to a maximum of 3 additional years of service that the member is eligible to purchase;

(b) B is equal to the sum of the employer and employee contribution rates in the member's retirement system; and

(c) C is equal to the member's gross compensation paid during the immediate preceding 12 months of membership service. The employer may not be charged more than the total actuarial cost of the service purchased by the terminated employee.

(4) The member shall pay the difference, if any, between the full actuarial cost of the service to be purchased and the amount contributed by the employer under subsection (3). A member is entitled to a refund for that portion of previously purchased additional service that would otherwise cause the member to be unqualified to receive all or part of the additional service provided in this section. A member may elect to purchase less than the full amount of service for which the member is eligible under this section, but the election may not reduce the amount of the employer's contribution as calculated under subsection (3).

~~(3) A retired member who was involuntarily terminated because of a reduction in force on or after January 1, 1995, but before April 21, 1995, and whose effective date of retirement was before April 21, 1995, is eligible for the involuntary termination benefits described in this section if a properly completed application for those benefits is received by the division on or before June 1, 1995.~~

~~(4)~~(5) The board may allow an employer to pay the contributions required under subsection ~~(2)~~ (3) in installments for up to 10 years and may charge interest at a rate set by the board pursuant to 19-2-403.

~~(5)~~(6) A member who has received additional service under this section and who returns to employment for the same jurisdiction for 600 or more hours in a calendar year forfeits the additional service. The employer's contribution to purchase that member's additional service, minus any retirement benefits already paid, must be refunded to the employer. As used in this subsection, the same jurisdiction means all agencies of the state, including the university system."

NEW SECTION. **Section 4. Appropriation.** There is appropriated $39,408 from the general fund to the department of labor and industry for each of the fiscal years 1998 and 1999 to fund the job registry established in 2-18-1203.

NEW SECTION. **Section 5. Coordination instruction.** If Senate Bill No. 78 and [this act] are passed

and approved, a person who elects to receive benefits under the provisions of [this act] is ineligible to receive a severance payment under the provisions of Senate Bill No. 78.

NEW SECTION. **Section 6. Effective date.** [This act] is effective July 1, 1997.

-END-

STATE OF MONTANA - FISCAL NOTE

Fiscal Note for HB0567, as introduced

DESCRIPTION OF PROPOSED LEGISLATION:
A bill providing permanent funding for additional years of service to be purchased under the State Employee Protection Act for a member involuntarily terminated from membership; creating a method of funding job retraining, relocation expenses, and health insurance for a state employee who is involuntarily terminated; imposing a time limit for a state employee participating in the Job Registry Program; providing that the unexpended balance in any specific appropriation may be used in the succeeding year to fund job training, health insurance benefits, relocation, and the purchase of service years; providing an appropriation.

ASSUMPTIONS:
Note: The following assumptions are intended for purposes of illustration only, and do not reflect a projection of actual layoff plans by state agencies.

1. Section 1, paragraph (3) provides for a payment to the Department of Labor and Industry. The current average cost of providing the retraining and development services provided by the Department of Labor and Industry is $2,400 per laid off employee. This amount would be assessed only if an eligible state employee is involuntarily laid off and requests access to the job training and development programs provided by the department.
2. Section 3 of the bill continues the purchase of retirement service for an employee who is involuntarily laid off and who is eligible to retire under the applicable provisions of their retirement system. The bill provides that the agency would pay the normal system contribution for up to three years of eligible service. The following are average costs to the state for an eligible member involuntarily terminated from various retirement systems assuming the member were eligible to purchase a full three years of service.
   a) The average salary of a PERS member eligible to take advantage of the purchase is $26,525 per year. Therefore, the cost to the state for three years would be $10,900 for the average PERS member.
   b) The average salary of a GWRS member eligible would be $36,050 per year. The cost to the state for three years would be $17,350.
   c) The average salary of an HPORS member eligible would be $35,920 per year. The cost to the state for three years would be $48,795.
   d) The average salary of an SRS member eligible would be $37,475 per year. The cost to the state for three years would be $18,440.

Section 4 of the bill appropriates $39,408 from the general fund to the Department of Labor and Industry for each year of the biennium to fund the job registry.

FISCAL IMPACT:
The only direct cost of HB567 is the funding of the job registry for laid off employees. Section 4 of this bill provides $39,408 in each year of the biennium to provide continued funding for the job registry. Other costs will be absorbed by the affected agencies. An agency may elect to pay for the early retirement costs over a 10 year period if insufficient funds exist in the 1999 biennium.

Dave Lewis 2.20.97
DAVE LEWIS, BUDGET DIRECTOR DATE
Office of Budget and Program Planning

Carolyn Squires 2/20/97
CAROLYN SQUIRES, PRIMARY SPONSOR DATE

HEARING ON HB 567

Opening Statement by Sponsor:
REP. CAROLYN SQUIRES, HD 68, Missoula, opened the hearing on HB 567, An act providing permanent funding for additional years of service to be purchased under the state employee protection act for a member involuntarily terminated from membership.
{Tape: 2; Side: A; Approx. Tape Counter: 40.9.}

Proponents:
Lois Menzies, Director, Department of Administration, Helena. Ms. Menzies submitted her written testimony. **EXHIBIT 5.**
{Tape: 2; Side: A; Approx. Tape Counter: 44.9.}

Terry Minow, Montana Federation of State Employees.
{Tape: 2; Side: B; Approx. Tape Counter: 0.1.}

Dan Anderson, Administrator, Addictive and Mental Disorders Division, Department of Public Health and Human Services, Helena.
{Tape: 2; Side: B; Approx. Tape Counter: 2.0.}

Tom Foley, American Federation of State Employees.
{Tape: 2; Side: B; Approx. Tape Counter: 3.7.}

Tom Schneider, Montana Public Employees Association.
{Tape: 2; Side: B; Approx. Tape Counter: 4.8.}

Brian McCullough, Chief, Hearing Bureau, Department of Labor and Industry, Helena.
{Tape: 2; Side: B; Approx. Tape Counter: 7.3.}

Tom Dolan, Personnel Officer, Department of Corrections, Helena.
{Tape: 2; Side: B; Approx. Tape Counter: 7.4.}

REP. VICKI COCCHIARELLA, HD 64, Missoula.
{Tape: 2; Side: B; Approx. Tape Counter: 8.2.}

Opponents:
None.

Questions From the Committee:
{Tape: 2; Side: B; Approx. Tape Counter: 11.4.}

Closing by Sponsor:
REP. SQUIRES closed the hearing on HB 567.
{Tape: 2; Side: B; Approx. Tape Counter: 23.5.}

EXHIBIT 5
DATE 3/10/97
HB 567

TESTIMONY ON HOUSE BILL NO. 567
Submitted to the House Appropriations Committee
By Lois Menzies, Director
Department of Administration
March 10, 1997

The State of Montana is dependent on its employees to deliver high quality, cost-effective services to our customers. When agencies are reorganized, downsized, privatized, or otherwise restructured, it is important for the state to have tools at hand to mitigate the impact on workers and to reduce disruption on state operations. The State Employee Protection Act is a tool that allows us to provide some assistance to employees who have, through no fault of their own, lost their jobs.

The retirement provision contained in section 3 is particularly important for long-term employees who involuntarily lose their jobs. This provision applies to a state or university system employee who is a member of the Public Employees', Game Wardens', Sheriffs', or Highway Patrol Officers' Retirement Systems and who is eligible for normal or early retirement. In lieu of receiving other termination benefits under the Employee Protection Act, the employee may receive an employer contribution toward purchasing up to three years of service in the employee's retirement plan. To obtain the maximum benefit under this section, the employee must pay the difference between the actuarial cost of the service and the amount contributed by the employer. This provision, which terminates July 1, 1999, helps retirement-eligible employees achieve the pension benefits they would have otherwise obtained had they not been terminated.

As a responsible employer, the State of Montana is concerned about the needs of its workers. House Bill No. 567 allows us to meet some of these needs when involuntary terminations are necessary. We urge your support for this bill.

HOUSE OF REPRESENTATIVES
55TH LEGISLATIVE SESSION - 1997

ROLL CALL
APPROPRIATIONS COMMITTEE

DATE 3-10-97

NAME	PRESENT	ABSENT	EXCUSED
Rep. Tom Zook, Chairman	✓		
Rep. Ed Grady, Vice Chairman, Majority	✓		
Rep. Joe Quilici, Vice Chairman, Minority	✓		
Rep. Beverly Barnhart	✓		
Rep. Ernest Bergsagel	✓		
Rep. John Cobb	✓		
Rep. Roger DeBruycker	✓		
Rep. Gary Feland	✓		
Rep. Don Holland	✓		
Rep. John Johnson	✓		
Rep. Royal Johnson	✓		
Rep. Betty Lou Kasten	✓		
Rep. Bob Keenan	✓		
Rep. Matt McCann	✓		
Rep. Red Menahan	✓		
Rep. Ray Peck	✓		
Rep. Steve Vick	✓		
Rep. Bill Wiseman	✓		

APPROPRIATIONS COMMITTEE
HOUSE OF REPRESENTATIVES

DATE 3/10/97 BILL NOS. HB 391, 499, 511, 567, 580, 557, 574, 576, 578

PLEASE PRINT

NAME	ADDRESS	BILL NO.	PROPONENT	OPPONENT
Tom Dolan	1534 11th Ave	HB 567	✓	
Ralph Peck	MT Dept of Agriculture	HB391	✓	
LOIS MENZIES	DEPT. OF ADMIN	HB 567	✓	
BRIAN McCullough	DLI - Capitol Station	HB 567	✓	
Bill Strauch	MT Food Dist Assn	HB 391	✓	
MIKE MURRAY	LEWIS & CLARK CO	HB511	✓	
Philip Grossberg	DLI - Job Service Helena Off	HB 567	✓	
Gary Wright	DLI - Job Service	H 567	✓	
Tom Schneider	MPEA	HB567	✓	
Doris Gillis	HELP JOB SERVICE - DLI	HB567	✓	
Dan Anderson	DPHHS	567	✓	
George H. Harris	Livestock	580		✓
Sidney Garcia	2913 Town & Bldg	499	✓	
BETTY WADDELL	311 POWER, MT ASSOC OF CHURCHES	499	✓	
Kathleen Martin	DPHHS	391	✓	
John Malee	M.F.T./MFSE	567	✓	
Terry Minow	MFT/MFSE	567	✓	
ANDY POOLE	COMMERCE	391	✓	
Mary Bryson	Revenue	391 511	✓	✓
Tom Foley	AFSCME	567	✓	
Rebecca Mahrin	MSTA Board	578		✓

PLEASE LEAVE PREPARED TESTIMONY WITH COMMITTEE SECRETARY.

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EXECUTIVE ACTION ON HB 493

Motion/Vote: REP. DEBRUYCKER moved HB 493 Be Tabled. Motion carried 17 - 1, with REP. COBB voting no.
{Tape: 3; Side: A; Approx. Tape Counter: 18.9.}

EXECUTIVE ACTION ON HB 557

Motion/Vote: REP. DEBRUYCKER moved HB 557 Be Tabled. Motion carried 14 - 4, with REPS. WISEMAN, MENAHAN, COBB, AND QUILICI voting no.
{Tape: 3; Side: A; Approx. Tape Counter: 21.7.}

EXECUTIVE ACTION ON HB 567

Motion/Vote: REP. DEBRUYCKER moved amendment HB056701.a94 Do Pass. Motion carried unanimously.
{Tape: 3; Side: A; Approx. Tape Counter: 23.4.}

Motion/Vote: REP. MENAHAN moved HB 567 Do Pass As Amended. Motion failed 8 - 10 on a roll call vote, with REPS. GRADY, BARNHART, FELAND, JOHN JOHNSON, MCCANN, MENAHAN, PECK, and QUILICI voting yes.
{Tape: 3; Side: A; Approx. Tape Counter: 29.8.}

Motion/Vote: REP. WISEMAN moved HB 567 Be Tabled. Motion carried 10 - 8, with REPS. GRADY, BARNHART, FELAND, JOHN JOHNSON, MCCANN, MENAHAN, PECK, and QUILICI voting no.
{Tape: 3; Side: A; Approx. Tape Counter: 31.2.}

EXECUTIVE ACTION ON HB 574

Motion/Vote: REP. DEBRUYCKER moved HB 574 Be Tabled. Motion carried 17 - 1, with REP. MENAHAN voting no.
{Tape: 3; Side: A; Approx. Tape Counter: 33.4.}

EXECUTIVE ACTION ON HB 576

Motion/Vote: REP. BARNHART moved HB 576 Do Pass. REP. COBB moved amendment HB057602.agp Do Pass. Motion carried 17 -1, with REP. DEBRUYCKER voting no.
{Tape: 3; Side: A; Approx. Tape Counter: 36.8.}

Motion/Vote: REP. COBB moved HB 576 Do Pass As Amended. Motion carried 13 - 5, with REPS. GRADY, FELAND, KEENAN, VICK, and DEBRUYCKER voting no.
{Tape: 3; Side: A; Approx. Tape Counter: 38.2.}

HOUSE OF REPRESENTATIVES
55TH LEGISLATIVE SESSION - 1997

ROLL CALL
APPROPRIATIONS COMMITTEE

DATE 3/11/97

NAME	PRESENT	ABSENT	EXCUSED
Rep. Tom Zook, Chairman	✓		
Rep. Ed Grady, Vice Chairman, Majority	✓		
Rep. Joe Quilici, Vice Chairman, Minority	✓		
Rep. Beverly Barnhart	✓		
Rep. Ernest Bergsagel	✓		
Rep. John Cobb	✓		
Rep. Roger DeBruycker	✓		
Rep. Gary Feland	✓		
Rep. Don Holland	✓		
Rep. John Johnson	✓		
Rep. Royal Johnson	✓		
Rep. Betty Lou Kasten	✓		
Rep. Bob Keenan	✓		
Rep. Matt McCann	✓		
Rep. Red Menahan	✓		
Rep. Ray Peck	✓		
Rep. Steve Vick	✓		
Rep. Bill Wiseman	✓		

HOUSE OF REPRESENTATIVES
55TH LEGISLATIVE SESSION - 1997

ROLL CALL VOTE
APPROPRIATIONS COMMITTEE

DATE 3/11/97 BILL NO. HB 567

MOTION Rep. Menahan moved HB 567 Do Pass As Amended. Motion failed 8-10.

NAME	AYE	NO
Rep. Ed Grady, VICE CHAIRMAN, MAJORITY	✓	
Rep. Beverly Barnhart	✓	
Rep. Ernest Bergsagel		✓
Rep. John Cobb		✓
Rep. Roger DeBruycker		✓
Rep. Gary Feland	✓	
Rep. Don Holland		✓
Rep. John Johnson	✓	
Rep. Royal Johnson		✓
Rep. Betty Lou Kasten		✓
Rep. Bob Keenan		✓
Rep. Matt McCann	✓	
Rep. Red Menahan	✓	
Rep. Ray Peck	✓	
Rep. Joe Quilici, VICE CHAIRMAN, MINORITY	✓	
Rep. Steve Vick		✓
Rep. Bill Wiseman		✓
Rep. Tom Zook, CHAIRMAN		✓

Motion/Vote: REP. FELAND moved amendment HB058401.agp Do Pass. Motion carried 13 - 5, with REPS. KASTEN, BARNHART, JOHN JOHNSON, PECK, and MENAHAN voting no.
{Tape: 1; Side: B; Approx. Tape Counter: 14.7.}

Motion: REP. GRADY moved Knox amendment HB058401.alm Do Pass.
{Tape: 1; Side: B; Approx. Tape Counter: 21.4.}

Motion/Vote: REP. VICK moved a substitute motion to vote separately on #2 of the amendment. Motion failed 2 - 16, with REPS. COBB and VICK voting yes.
{Tape: 1; Side: B; Approx. Tape Counter: 24.5.}

Motion/Vote: REP. GRADY moved the remaining parts of the amendment. Motion carried unanimously.
{Tape: 1; Side: B; Approx. Tape Counter: 25.6.}

Motion: REP. GRADY moved HB 584 Do Pass As Amended. The motion was set aside until clarification on the amendment.

EXECUTIVE ACTION ON HB 567

Motion/Vote: REP. MENAHAN moved to reconsider HB 567 which had been Tabled on March 11. Motion carried 16 - 2, with REPS. WISEMAN and VICK voting no.
{Tape: 2; Side: A; Approx. Tape Counter: 0.1.}

Motion: REP. MENAHAN moved HB 567 Do Pass.
{Tape: 2; Side: A; Approx. Tape Counter: 6.7.}

Motion/Vote: REP. GRADY moved a substitute motion to delete general fund appropriations. Motion carried 12 - 6, with REPS. BARNHART, JOHN JOHNSON, PECK, QUILICI, MENAHAN, and DEBRUYCKER voting no.
{Tape: 2; Side: A; Approx. Tape Counter: 7.8.}

Motion/Vote: REP. MENAHAN moved HB 567 Do Pass As Amended. Motion carried 14 - 4, with REPS. VICK, KASTEN, BERGSAGEL, and KEENAN voting no.
{Tape: 2; Side: A; Approx. Tape Counter: 13.0.}

EXECUTIVE ACTION ON HB 584

Motion/Vote: Earlier motion from REP. GRADY that HB 584 Do Pass As Amended was taken up again. REP. DEBRUYCKER moved a substitute motion that HB 584 Be Tabled. Motion carried 14 - 4, with REPS. MENAHAN, COBB, QUILICI, and GRADY voting no.
{Tape: 2; Side: B; Approx. Tape Counter: 1.6.}

HOUSE STANDING COMMITTEE REPORT

March 25, 1997

Mr. Speaker: We, the committee on **Appropriations** report that **House Bill 567** (first reading copy -- white) **do pass as amended**.

Signed: *Tom Zook, Chair*

And, that such amendments read:

1. Page 1, lines 11 and 12.
Following: "YEARS;" on line 11
Strike: remainder of line 11 through "APPROPRIATION;" on line 12

2. Page 4, line 19.
Strike: "January 1, 1995"
Insert: "July 1, 1997"

3. Page 5, lines 26 through 28.
Strike: Section 4 in its entirety
Renumber: subsequent sections

-END-

3-25-97

Committee Vote:
Yes 14, No 4.

651024SC.Hgd

HOUSE OF REPRESENTATIVES
55TH LEGISLATIVE SESSION - 1997

ROLL CALL
APPROPRIATIONS COMMITTEE

DATE 3/24/97

NAME	PRESENT	ABSENT	EXCUSED
Rep. Tom Zook, Chairman	✓		
Rep. Ed Grady, Vice Chairman, Majority	✓		
Rep. Joe Quilici, Vice Chairman, Minority	✓		
Rep. Beverly Barnhart	✓		
Rep. Ernest Bergsagel	✓		
Rep. John Cobb	✓		
Rep. Roger DeBruycker	✓		
Rep. Gary Feland	✓		
Rep. Don Holland	✓		
Rep. John Johnson	✓		
Rep. Royal Johnson	✓		
Rep. Betty Lou Kasten	✓		
Rep. Bob Keenan	✓		
Rep. Matt McCann	✓		
Rep. Red Menahan	✓		
Rep. Ray Peck	✓		
Rep. Steve Vick	✓		
Rep. Bill Wiseman	✓		

MINUTES

MONTANA SENATE
55th LEGISLATURE - REGULAR SESSION

COMMITTEE ON FINANCE & CLAIMS

Call to Order: By **CHAIRMAN CHUCK SWYSGOOD**, on April 9, 1997, at 7:07 a.m., in Room 108.

ROLL CALL

Members Present:

Sen. Charles "Chuck" Swysgood, Chairman (R)
Sen. Thomas F. Keating, Vice Chairman (R)
Sen. Larry Baer (R)
Sen. Thomas A. "Tom" Beck (R)
Sen. James H. "Jim" Burnett (R)
Sen. B.F. "Chris" Christiaens (D)
Sen. Eve Franklin (D)
Sen. Loren Jenkins (R)
Sen. Greg Jergeson (D)
Sen. John "J.D." Lynch (D)
Sen. Dale Mahlum (R)
Sen. Ken Miller (R)
Sen. Arnie A. Mohl (R)
Sen. Linda J. Nelson (D)
Sen. Mike Taylor (R)
Sen. Daryl Toews (R)
Sen. Mignon Waterman (D)

Members Excused: None

Members Absent: None

Staff Present: Taryn Purdy, Legislative Fiscal Division
Sharon Cummings, Committee Secretary

Please Note: These are summary minutes. Testimony and discussion are paraphrased and condensed.

Committee Business Summary:

Hearing(s) & Date(s) Posted: HB 398, 4/2/97; HB 567, 4/2/97; HB 576, 4/2/97; HB 578, 4/2/97

Executive Action: HB 398, BCCAA; HB 567, BCC; HB 576, BCC; HB 578, Failed

HEARING ON HB 567

Sponsor: REP. CAROLYN SQUIRES, HD 68, MISSOULA

Proponents: **Mark Cress, Department of Administration**
Brian McCullough, Department of Labor and Industry
Tom Schneider, Montana Public Employees Association
Terry Minow, Montana Federation of State Employees
Michael Bentley, American Federation of State, County and Municipal Employees
Dan Anderson, Department of Public Health and Human Services

Opponents: None

Opening Statement by Sponsor:

REP. CAROLYN SQUIRES, HD 68, MISSOULA This is an update of HB 490. This bill started about 4 sessions ago as a result of downsizing state government and the necessity of trying to help those workers who were displaced through no fault of their own. This bill is important in making the State of Montana a responsible employer. The future will bring dramatic changes in the staffing of our state agencies due to federal funding cuts, privatization of state agency functions and the downsizing of state agencies. This bill clarifies a few technicalities that will improve this process for the future. **REP. SQUIRES** explains the bill. There is the possibility of 250-300 employees being laid off due to downsizing.

{Tape: 1; Side: A; Approx. Time Count: 7:13; Comments: None.}

Proponents' Testimony:

Mark Cress, Department of Administration (DOA) It is extremely important to have effective severance procedures when laying off employees, particularly longer term employees. Access to job training, temporary contributions to health insurance and inclusion in the job registry has been important protection for our laid off employees in the past. HB 567 makes important administrative changes to these programs, we support limiting participation in the job registry to two years and allowing funds to be used for previous years to pay for this protection. Section 3 extends the program to purchase service retirement by eligible employees who are laid off, this was established by the legislature in 1995. We feel this program has been instrumental over the last biennium in providing protection and assisting agencies who went through significant reorganization and downsizing. We'd like to see this program continue for the next two years. This program impacts a fairly small number of employees those longer term employees who are otherwise eligible to retire. We urge your support for HB 567

Brian McCullough, Department of Labor and Industry (DLI) We support HB 567. It has been an effective management tool in dealing with downsizing, the training function that is provided through DLI has been instrumental in helping the transition of employees who have been riffed. The either/or option in terms of

either receiving the retraining benefit and being on the registry or the other option of retiring, they cannot exercise both options. This has been an effective tool in dealing with downsizing.

Tom Schneider, Montana Public Employees Association We support HB 567. There is a change in the retirement section of the bill in which we are not providing that the cost will be based on actuarial cost and the employee will have to pick up the difference between the employee and employer contribution. The actuarial cost will probably be around 28-29%, the employer contribution is 13.4%, with the employee picking up between 14-16% of the cost of this retirement service. Please remember these people are being laid off and will be without income. I think the employer should pick up the full actuarial cost to provide the retirement benefit if the person is retirement eligible.

Terry Minow, Montana Federation of State Employees We support HB 567, which deals with an issue most employees don't like to think about, the issue of layoffs or reductions in force. This bill gives state government the tools to mitigate the real impacts of layoffs. The tools contained in HB 567 have been available to the state for a number of years. Through the employee protection act laid off state employees have been successful in moving into other jobs or if eligible, retiring from state service. Among our members the most immediate and largest number of layoffs anticipated will occur at Montana State Hospital. When the hospital is rebuilt it will be a smaller and more efficient facility that will require approximately 100 fewer employees. Employees are very fearful because they don't know what the future holds. We have started negotiations that we hope will take care of some of those concerns and questions. There is also potential layoffs at the prison due to a proposal for privatization of the infirmary. The passage of HB 567 will send a strong message to those state employees who are facing layoffs, the message that the state will do what it can to help them in a time of crisis. We urge your support of HB 567.

Michael Bentley, American Federation of State, County and Municipal Employees We support HB 567.

Dan Anderson, Department of Public Health and Human Services (DPHHS) We support HB 567. We went through a layoff of over 100 employees at Galen in 1993 and the employee protection provision that were in effect then were very helpful in assisting employees who were going through a difficult time. We anticipate layoffs at Montana State Hospital during the next several years. These are the kinds of assistance we should provide to employees who are going to be looking for other state employment or to retire.

Opponents' Testimony: None

Questions From Committee Members and Responses: None

Closing by Sponsor: **REP. SQUIRES** I encourage you to look favorably on this bill. We are the employer and as so we have some responsibilities to our employees.

{Tape: 1; Side: 1; Approx. Time Count: 7:22; Comments: None.}

HEARING ON HB 576

Sponsor: **REP. JOHN COBB, HD 50, AUGUSTA**

Proponents: **Judy Garrity, Montana Children's Trust Fund**
Shirley Brown, Department of Public Health and Human Services
SEN. J.D. LYNCH, SD 19, BUTTE

Opponents: None

Opening Statement by Sponsor:

REP. JOHN COBB, HD 50, AUGUSTA HB 576 revises the Children's Trust Fund program which is a program for prevention of child abuse in local communities. They are attached to DPHHS for administrative purposes and have a volunteer board. This bill addresses language changes requested by the federal government and also establishes an endowment to fund these programs.

Proponents' Testimony:

Judy Garrity, Montana Children's Trust Fund The trust fund board includes members from child welfare, education and other areas that represent communities in Montana. I am the DPHHS representative to the board and am speaking in support of HB 576. The purpose of this bill is to put federal language in the bill so we can continue to receive federal funds and to establish an endowment so that if federal funds should dry up we will have a stable base of funding to continue to support child abuse prevention around the state. This past year we funded 13 child abuse prevention projects throughout the state. **(EXHIBIT #1)** handed in.

Shirley Brown, DPHHS The department and the Child and Family Services Division support HB 576.

SEN. J.D. LYNCH, SD 19, BUTTE I introduced the legislation that created the Children's Trust Fund and am a proponent for this bill.

Opponents' Testimony: None

{Tape: 1; Side: A; Approx. Time Count: 7:26; Comments: None.}

Questions From Committee Members and Responses:

to change the sunset date to 1999. Venture capital investing is a risky business and I'm not sure there is anything structurally wrong with MSTA. You need to make the decision to change the sunset for MSTA or move the portfolio to the Board of Investments for management purposes. **SEN. FRANKLIN** I think there are some functional issues that could be worked on and I would hope DOC or the board would be open to working out the kinks that do exist.

SEN. TAYLOR Are the universities going to pay back the loans? **Dr. Crofts** We have been paying back the loans and that is our commitment.

{Tape: 2; Side: B; Approx. Time Count: 9:25; Comments: None.}

Closing by Sponsor:

REP. JOHNSON I did not know this bill was written by anyone else, that this was an MSTA bill and I refer you to the date on the bill. They asked me to change the sunset to 1999 and it didn't make sense to do this. I think MSTA is technically flawed. They don't want to be an advisory board, they want to make loans. They don't have any money to make loans, there is no reason why they shouldn't work with DOC if they are truly interested in what happens to these loans. The two venture capital companies have invested only $400,000, there doesn't seem to be a big demand for venture capital. I think we should get ourselves out of this business or into it. I agree that a research and development program is needed and voted for those bills. You need to consider carefully what you are doing here, don't keep the mistake going.

{Tape: 2; Side: B; Approx. Time Count: 10:11; Comments: None.}

EXECUTIVE ACTION ON HB 567

Motion: **SEN. BECK MOVES HB 567 BE CONCURRED IN.**

Discussion: **SEN. DARYL TOEWS** I can live with the health insurance and training in this bill. I don't think we have the obligation to put retirement money in for people who have been laid off.

SEN. CHRISTIAENS How many people have been involved through the RIF program over the last two years and what have the costs been? **Mr. McCullough** There were 71 people involved with the retirement portion of the program. The agencies have to plan for all portions of this in their downsizing and it is in their existing budgets.

SEN. CHRISTIAENS Is there a way to find out the impact this has had on the General Fund over the last biennium? **Mr. McCullough** We'd have to research that information and get it back to you, I don't see a quick way to get that to you. **CHAIRMAN SWYSGOOD** I would assume with 71 people taking advantage of the retirement

portion that it would amount to a fairly significant amount of money.

SEN. ARNIE MOHL Doesn't DLI have the money to retrain employees when they are laid off? **Mr. McCullough** There are dislocated worker funds for the private sector, federal funds are not eligible for state employees coming back to state jobs. **SEN. MOHL** Page 2, Number 3 states each state agency shall pay DLI, where does this money come from? **Mr. McCullough** The agencies don't know what cuts will occur, they have to anticipate this as part of the cost of downsizing and it would come out of their existing budget. It in beneficial to have all this before the agencies at the beginning so they can plan for this when they are downsizing. **SEN. MOHL** What happens to the money if they anticipate this and it doesn't happen? **Mr. McCullough** If it doesn't happen, the people are still working so the agencies use their current budgets to pay the employees.

SEN. DALE MAHLUM Does an employee have to meet certain criteria to retire when riffed? **Mr. McCullough** An employee has to have 25 years of service or be over 50 years of age. **SEN. MAHLUM** If a person meets the criteria and retires, can they get another state job? **Mr. McCullough** They are limited on the amount of time they can work, I believe they can work 600 hours for another state agency.

SEN. JENKINS It looks like this is for involuntary loss of a job, so the 20-25 years doesn't apply, does it? **Mr. McCullough** The people have two options, they may take the retirement option if they qualify or they may pursue getting rehired somewhere else in state government. This is not an automatic retirement. **SEN. JENKINS** Those positions probably are funded in HB 2, so even though they have been laid off the money is still in HB 2, correct? **Mr. McCullough** Maybe, the spending authority may not have cash with it.

SEN. BECK We have 100 people downsized at Warm Springs, we did the same thing at Galen. Many of the Galen people went back to work for the state, only the older people in the system can take advantage of the retirement option. We are trying to give these people a little help and protection.

SEN. KEATING What will the retirement option cost? **REP. SQUIRES** It depends on the individual's salary, so we don't have a concrete number. **SEN. KEATING** The money comes out of the normal operating appropriations of the various agencies. **REP. SQUIRES** That is correct, it depends on how the agency operating expenses are funded.

Vote: **THE MOTION THAT HB 567 BE CONCURRED IN CARRIED 14-3 ON ROLL CALL VOTE. SEN. BECK** will carry HB 567.

{Tape: 2; Side: A; Approx. Time Count: 10:32; Comments: None.}

SENATE STANDING COMMITTEE REPORT

April 9, 1997

MR. PRESIDENT:

We, your committee on Finance and Claims having had under consideration House Bill 567 (third reading copy -- blue), respectfully report that House Bill 567 be concurred in.

Signed: Chuck Swysgood
Senator Chuck Swysgood, Chair

Amd. Coord.
Sec. of Senate

Stan Stack.
Senator Carrying Bill

751244SC.SRF

MONTANA SENATE
1997 LEGISLATURE
FINANCE AND CLAIMS COMMITTEE

ROLL CALL DATE 4/9/97

NAME	PRESENT	ABSENT	EXCUSED
SEN. CHUCK SWYSGOOD, CHAIRMAN	✓		
SEN. TOM KEATING, VICE CHAIRMAN	✓		
SEN. LARRY BAER	✓		
SEN. TOM BECK	✓		
SEN. JIM BURNETT	✓		
SEN. B.V. "CHRIS" CHRISTIAENS	✓		
SEN. EVE FRANKLIN	✓		
SEN. LOREN JENKINS	✓		
SEN. GREG JERGESON	✓		
SEN. J. D. LYNCH	✓		
SEN. DALE MAHLUM	✓		
SEN. KEN MILLER	✓		
SEN. ARNIE MOHL	✓		
SEN. LINDA NELSON	✓		
SEN. MIKE TAYLOR	✓		
SEN. DARYL TOEWS	✓		
SEN. MIGNON WATERMAN	✓		

SEN:1997
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MONTANA SENATE
1997 LEGISLATURE
FINANCE AND CLAIMS COMMITTEE
ROLL CALL VOTE

DATE 4/9/97 BILL NO. HB567 NUMBER

MOTION: BCC

NAME	AYE	NO
SEN. CHUCK SWYSGOOD, CHAIRMAN	✓	
SEN. TOM KEATING, VICE CHAIRMAN	✓	
SEN. LARRY BAER		✓
SEN. TOM BECK	✓	
SEN. JIM BURNETT		✓
SEN. B.F "CHRIS" CHRISTIAENS	✓	
SEN. EVE FRANKLIN	✓	
SEN. LOREN JENKINS	✓	
SEN. GREG JERGESON	✓	
SEN. J. D. LYNCH	✓	
SEN. DALE MAHLUM	✓	
SEN. KEN MILLER	✓	
SEN. ARNIE MOHL	✓	
SEN. LINDA NELSON	✓	
SEN. MIKE TAYLOR	✓	
SEN. DARYL TOEWS		✓
SEN.MIGNON WATERMAN	✓	
	14	3

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DATE 4/9/97

SENATE COMMITTEE ON Finance & Claims

BILLS BEING HEARD TODAY: HB398, HB567, HB576, HB578

< ■ > PLEASE PRINT < ■ >

Name	Representing	Bill No.	Check One: Support	Check One: Oppose
Tom Schneider	MPEA	HB567	X	
Loren Smith	MSTA	HB578		X
Judy Garrity	Mt. Children's Trust Fund	HB576	X	
Rebecca Mahurin	MSTA	578		X
Shirley Brown	DPHHS-CFSD	HB576	X	
Phil Grossberg	DLI - Helena J.S.	HB567	X	
Brian McCullough	DLI	HB567	X	
Doug Coffin	McLaughlin Research		X	
Terry Minow	MFSE	HB567	X	
Mark Cress	Dept. of Admin	HB567	X	
Michael Bentley	AFSCME	HB567	X	
Steve Yeakel	MT Council For Maternal & Child Health	HB576	X	
JON MARCHI	GLACIER VISION QUEST	HB578		X
JON MARCHI	MT. AMBASSADORS	HB 578		X

VISITOR REGISTER

PLEASE LEAVE PREPARED STATEMENT WITH COMMITTEE SECRETARY

REGISTER.F10